



**Cambridge International Examinations**  
Cambridge International General Certificate of Secondary Education

---

**ACCOUNTING**

**0452/23**

Paper 2

**May/June 2016**

MARK SCHEME

Maximum Mark: 120

---

**Published**

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge will not enter into discussions about these mark schemes.

Cambridge is publishing the mark schemes for the May/June 2016 series for most Cambridge IGCSE<sup>®</sup>, Cambridge International A and AS Level components and some Cambridge O Level components.

bestexamhelp.com

© IGCSE is the registered trademark of Cambridge International Examinations.

---

This document consists of **11** printed pages.

Page 2	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – May/June 2016	0452	23

1 (a) Reduce the number of entries in the main cash book

- Removes the small cash payments from the main cash book
- Reduces the number of entries in the ledger
- Allows the chief cashier to delegate some of the work
- Provides training for junior staff members

**Accept other suitable reasons**

**Any 2 reasons (1) each**

**[2]**

(b) (i)

Carol  
Petty Cash Book

Total received	Date	Details	Total paid	Postage & stationery	General expenses	Ledger accounts
\$ 23 77	2016 April 1	Balanceb/d Bank(1)	\$	\$	\$	\$
	4	Tea and coffee(1)	11		11	
	16	Stationery(1)	25	25		
	19	Taxi fare(1)	8		8	
	23	T Nhete(1)	38			38
	30	Balancec/d	82	25	19	38
			18			
100	2016		100			
18	May1	Balanceb/d(1)OF				

(1) Dates

(1) OF Totalling analysis columns

(1) OF Totalling total columns

**[9]**

<b>Page 3</b>	<b>Mark Scheme</b>	<b>Syllabus</b>	<b>Paper</b>
	<b>Cambridge IGCSE – May/June 2016</b>	<b>0452</b>	<b>23</b>

(ii)

**Carol  
Cash Book**

Date	Details	Discount allowed	Cash	Bank	Date	Details	Discount received	Cash	Bank
2016 <i>Apr</i> 1	<i>Balance b/d</i>	\$	\$ 210	\$	2016 <i>Apr</i> 1	<i>Balance b/d</i>	\$	\$	\$ 1437
20	B Mamba(1)	23		897	9	Petty cash(1)			77
28	Sales(1)		2970		9	K Mzolo(1)	9		441
29	Cash c(1) OF			3080	29	Bank c(1)		3080	
					30	Balance c/d		100	2022
		23	3180	3977			9	3180	3977
2016 May 1	Balance s/b/d		100 (1)	2022 (1) OF					

+ (1) OF totalling discount columns

+ (1) dates

[10]

[Total: 21]

2 (a)

	\$	
Receipts from credit customers	61 230	(1)
Cash discount allowed	1 570	(1)
Returns from credit customers	2 070	(1)
Bad debts	260	(1)
Amount owing by customers 29 February 2016	<u>16 190</u>	(1)
Credit sales	<u>81 320</u>	(1) OF

Alternative presentation

Total trade receivables account

Date	Details	\$	Date	Details	\$
2016 Feb 29	*Sales(1)OF	81 320	2016 Feb 29	Bank	61 230 (1)
				Discount all'd	1 570 (1)
				Returns	2 070 (1)
				Bad debts	260 (1)
				Balance c/d	<u>16 190 (1)</u>
		<u>81 320</u>			<u>81 320</u>
2016 Mar1	Balance b/d	16 190			

\*Balancing figure

[6]

(b)

	\$		\$	
Credit purchases			70 150	(1)
Less Returns to credit suppliers	1 110	(1)		
Cash discount received	1 860	(1)		
Amount owing to credit suppliers 29 February 2016	<u>7 040</u>	(1)	<u>10 010</u>	
Amount paid to credit suppliers			<u>60 140</u>	(1) OF

Alternative presentation

Total trade payables account

Date	Details	\$	Date	Details	\$
2016 Feb 29	Returns(1)	1 110	2016 Feb 29	Purchases(1)	70 150
	Discount recd (1)	1 860			
	*Bank(1)OF	60 140			
	Balance c/d(1)	<u>7 040</u>			
		<u>70 150</u>			<u>70 150</u>
			2016 Mar1	Balance b/d	7 040

\*Balancing figure

[5]

(c)

Aneela  
Bank account

Date	Details	\$	Date	Details	\$
2015 Mar1	Capital(1) Loan(1)	45 000 10 000	2016 Feb 29	Non-current assets (1)	20 500
2016 Feb 29	Trade receivables (1)	61 230		Trade payables (1)OF	60 140
				*Expenses(1)OF	18 620
				Balance c/d(1)	16 970
		<u>116 230</u>			<u>116 230</u>
2016 Mar1	Balance b/d	16 970			

\*Balancing figure

[7]

[Total: 18]

- 3 (a) Share losses  
Share responsibilities  
Share risks  
Share decision-making  
Additional finance may be available  
Additional skills and experience are available

**Any 1 advantage (1)**

[1]

- (b) Share profits  
Decisions must be recognised by all partners  
Decisions may take longer to implement  
One partner's actions can bind the other partners  
Disagreements can occur  
All partners are responsible for the debts of the business

**Any 1 disadvantage (1)**

[1]

- (c) **Greater security than capital**

[1]

Repaid before capital in a winding-up  
Extra funds may be required for a limited period only

**Or other suitable comment**

**Any 1 comment (1)**

- (d) To be able to meet debts when they fall due  
To be able to take advantage of cash discounts  
To be able to take advantage of business opportunities as they arise  
To ensure that there is no difficulty if obtaining supplies/services on credit

**Or other suitable explanation**

**Any 2 points (1) each**

[2]

<b>Page 6</b>	<b>Mark Scheme</b>	<b>Syllabus</b>	<b>Paper</b>
	<b>Cambridge IGCSE – May/June 2016</b>	<b>0452</b>	<b>23</b>

(e) Alternative presentation of current accounts

**Current accounts**

		Abid \$	Faiz \$			Abid \$	Faiz \$
2015				2015			
Apl 1	Balance b/d	110		Apl 1	Balance b/d(1)		800
2016				2016			
Mar 31	Drawings (1)	6 000	7 000	Mar 31	Interest on Capital(1)	2 400	1 650
	Interest on drawings (1)	120	140		Salary (1)		5 000
	Balance c/d		1 770		Profit share (1)	2 920	1 460
					Balance c/d	910	
		<u>6 230</u>	<u>8 910</u>			<u>6 230</u>	<u>8 910</u>

**+ (1) OF for each balance if shown in statement of financial position making a total of  
(8) for the current accounts [13]**

Page 7	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – May/June 2016	0452	23

Abid and Faiz  
Statement of Financial Position at 31 March 2016

	\$	\$	\$	
<b>Assets</b>				
Non-current assets				
Fixtures and equipment (book value)			104 000	
Motor vehicles (book value)			<u>28 520</u>	
			<u>132 520</u>	(1)
Current assets				
Trade receivables			19 320	
Bank			<u>16 080</u>	
			<u>35 400</u>	(1)
Total assets			<u>167 920</u>	
<b>Capital and liabilities</b>				
	Abid	Faiz		Total
Capital accounts	<u>80 000</u>	<u>55 000</u>	(1) both	135 000
Current accounts				
Opening balance	(110)	800	(1) both	
Interest on capital	2 400	1 650	(1) both	
Salary		5 000	(1)	
Profit share	<u>2 920</u>	<u>1 460</u>	(1) both	
	<u>5 210</u>	<u>8 910</u>		
Drawings	6 000	7 000	(1)	
Interest on drawings	<u>120</u>	<u>140</u>	(1) both	
	<u>6 120</u>	<u>7 140</u>		
Closing balance	<u>(910)</u>	<u>1 770</u>	(1) OF	
				<u>860</u>
				<u>135 860</u>
Non-current liabilities				
Loan – Abid			<u>20 000</u>	(1)
Current liabilities				
Trade payables			11 900	}
Other payables			<u>160</u>	}(1)
			<u>12 060</u>	
Total liabilities			<u>167 920</u>	[13]

(f)  $\frac{13170}{(167920 - 12060)} \times \frac{100}{1}$  (1) whole formula OF = 8.45% (1) OF [2]

Page 8	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – May/June 2016	0452	23

- (g) Shows the profit earned for each \$100 used in the business (1)  
The higher the percentage the more efficiently the capital is being employed (1)

Or other acceptable answer  
Any 2 points (1) each

[2]

[Total: 22]

4 (a)

Yasmin			
Manufacturing Account for the year ended 30 April 2016			
	\$		\$
Cost of materials used			
Purchases of raw materials	28 600	(1)	
Carriage on raw materials	<u>1 500</u>	(1)	30 100
Less Closing inventory of raw materials			<u>3 150</u> (1)
			26 950
Direct wages			<u>32 300</u> (1)
Prime cost			59 250 (1)
Factory overheads			
Indirect factory wages	11 860	(1)	
General factory expenses	3 340	(1)	
Rates ( $\frac{3}{4} \times 6000$ )	4 500	(1)	
Depreciation – Machinery ( $35\ 000 \times 20\%$ )	7 000	(1)	
Tools ( $1000 - 830$ )	<u>170</u>	(1)	<u>26 870</u>
			86 120 (1) OF
Less Closing work in progress			<u>2 920</u> (1)
Cost of production			<u>83 200</u> (1) OF

[13]

(b) (i)

Cost of production		83 200	(1) OF
Purchases of finished goods		<u>15 700</u>	(1)
		98 900	
Less Closing inventory of finished goods	<u>6 800</u>	(1)	
Cost of sales		<u>92 100</u>	(1) OF

[4]

(ii)

Revenue		113 640	
Cost of sales		<u>92 100</u>	OF
Gross profit		<u>21 540</u>	(1) OF

[1]

- (c) (i)  $\frac{21540}{113640} \text{ OF} \times \frac{100}{1} \text{ (1) OF whole formula} = 18.95\% \text{ (1) OF}$

[2]



- (ii) Increase selling price  
 Increase mark-up  
 Reduce trade discount allowed to customers  
 Reduce cost of manufacturing  
 Purchase cheaper raw materials  
 Buy in bulk to obtain trade discount  
 Reduce factory wages  
 Reduce factory overheads

**Or other suitable methods**  
**Any 2 ways (1) each**

[2]

[Total: 22]

- 5 (a) Work can be shared amongst several people  
 Easier for reference as same types of account are kept together  
 Easier to introduce checking procedures  
 Reduce the possibility of fraud

**Or other suitable advantage**  
**Any 1 advantage (1)**

[1]

(b) (i) Purchases ledger (1)

(ii) Nominal (general) ledger (1)

(iii) Nominal (general) ledger (1)

[3]

(c) Paul

Rent and rates account

Date	Details	\$	Date	Details	\$
2015 Jan 1	Balance b/d Rates 900 Rent 3200	4 100	2015 Dec 31	Income statement Rates 3870 (1) Rent 9600 (1)	13 470
Apr 1	Bank (rates)(1)	3 960		Balance c/d (rates)	990
May 1	Bank (rent)(1)	4 800			
Dec 31	Balance c/d (rent)	<u>1 600</u>			
		<u>14 460</u>			<u>14 460</u>
2016 Jan 1	Balance b/d (rates)(1) <b>OF</b>	990	2016 Jan 1	Balance b/d (rent)(1) <b>OF</b>	1 600

**+ (1) dates**

[7]

- (d) This is an application of the principle of prudence  
 Over-valuing the inventory causes the profit for the year to be overstated  
 Over-valuing the inventory causes the current assets to be overstated

**Any 2 points (1) each**

[2]

(e)

	overstated	understated	no effect
Profit for the year ended 31 December 2014	✓ (1)		
Profit for the year ended 31 December 2015		✓ (1)	
Cost of sales for the year ended 31 December 2015	✓ (1)		
Current assets at 31 December 2014	✓ (1)		
Current assets at 31 December 2015			✓ (1)

[5]

[Total: 18]

6 (a) (i)  $\frac{3500}{(59600 + 15800)} \times \frac{100}{1}$  (1) whole formula = 4.64% (1) [2]

- (ii) Increase in expenses/not controlling expenses as well  
 Decrease in other income  
 Change in type of expense  
 Decrease in gross profit percentage

Any 2 reasons (1) each

[2]

(b) David

Journal

	Debit \$	Credit \$	
Office expenses	114		(1)
Cash		114	(1)
Correction of error of omission			(1)
Suspense	900		(1)
Sales		900	(1)
Correction of error of transposition			(1)

[6]

Page 11	Mark Scheme	Syllabus	Paper
	Cambridge IGCSE – May/June 2016	0452	23

(c)

David			
Statement of corrected profit for the year ended 31 January 2016			
			\$
	Profit for the year before corrections		3 500
	Increase in profit \$	Decrease in profit \$	
Error 1		114	
Error 2	900 (2)		
Error 3		600 (2)	
Error 4		1 628 (2)	
Error 5		24 (2)	
	900	2 366	1 466
	Corrected profit for the year		2 034 (1)OF

**For each error – (1) for position and (1) for figure [9]**

**[Total: 19]**